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## FISCAL IMPACT REPORT



SPONSOR: Fidel DATE TYPED: 05/24/02 HB \_\_\_\_\_

SHORT TITLE: Capital Projects SB 3

ANALYST: L. Kehoe

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
(\$12,000.0)				Non-Recurring	W&WWGF
(\$10,000.0)	\$10,000.0	*For Expenditure in FY04		Non-Recurring	GF
\$3,600.0				Non-Recurring	STB

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in The General Appropriation Act \_\_\_\_\_

Duplicates/Conflicts with/Companion to/Relates to \_\_\_\_\_

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
\$12,000.0			Non-Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to \_\_\_\_\_

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

Senate Bill 3 changes appropriations made in Laws 2002, Chapter 110, Sections 47 and 48 (House Taxation & Revenue Committee Substitute for House Bill 88, as amended); and authorizes

the issuance and sale of \$3.6 from Severance Tax Bond (STB) capacity for the installation and purchase of state police radios and vehicles.

Significant Issues

Laws 2002, Chapter 110, Section 47 appropriated \$10 million from the General Fund to the Water Project Fund for expenditure in fiscal years 2002 through 2007 to carry out the provisions of the Water Project Finance Act. This bill delays expenditure of the \$10 million until fiscal year 2004 and subsequent fiscal years.

Laws 2002, Chapter 110, Section 48 appropriated \$15 million from the General Fund to the Water and Wastewater Project Grant Fund for the purpose of making grants to water and wastewater projects. However, legislation authorizing the projects to be funded failed to pass during the 2002 regular session. This bill transfers \$12 million back to the General Fund, but authorizes the New Mexico Finance Authority (NMFA) to expend \$3 million of the appropriation for emergency public projects.

This bill authorizes the issuance and sale of \$3.6 million from Severance Tax Bond (STB) capacity and appropriates the proceeds to the Department of Public Safety. Of the \$3.6 million, \$2.6 million is for the purpose of purchasing and installing state police radios, and \$1 million is for the purpose of purchasing state police motor vehicles.

This bill also repeals Laws 2002, Chapter 110, Sections 47 and 48, and contains an emergency clause.

**FISCAL IMPLICATIONS**

- General Fund capacity is increased by \$12 million in FY02.
- The \$3 million authorized and appropriated from the Water and Wastewater Project Grant Fund is derived from existing funds appropriated in Laws 2002, Chapter 110, Section 48 as provided in Subsection E of Section 6-21-6.3 NMSA 1978.
- The \$10 million appropriated from the General Fund to the Water Project Fund is for expenditure in fiscal year 2004 and subsequent fiscal years and shall not revert to the General Fund.
- The Severance Tax Bond appropriation of \$3.6 million is a nonrecurring expense to STB bonding capacity. Any unexpended or unencumbered balance remaining at the end of the fiscal year following the fiscal year in which the severance tax bonds were issued shall revert to the Severance Tax Bonding Fund.

**LMK/ak**